



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1

1 CONGRESS STREET, SUITE 1100
BOSTON, MASSACHUSETTS 02114-2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 15, 2003

Erin S. Russell
Senior Counsel
Clariant Corporation
4000 Monroe Road
Charlotte, NC 28205

Dear Ms. Russell:

EPA appreciates Clariant Corporation's (Clariant) cooperation and initiative in addressing the PCB issues involving your Pigment Red 144 and Pigment Red 214 (hereinafter "the products") manufactured at your Coventry, Rhode Island site. As discussed in our meeting on October 14, 2003, EPA identified the following information that needs to be provided by your company. The information provided should cover the period from August 2001 to the present.

1. A list of your customers who received the products in question and customers to whom they have distributed the products. For each customer, provide the following information: the customer name, address, point of contact, phone number, quantities and dates sold, and end use of the products, if known.
2. Documentation of the health and safety procedures used during the manufacturing, processing and distribution of these products at your Coventry facility. Include any environmental sampling that may have been conducted.
3. Analytical data collected on PCB concentrations in the intermediate and final stages of the product manufacturing process during the initial lab bench scale testing.
4. Analytical data collected on PCB concentrations of the intermediate and final stages of the product manufacturing process during the actual manufacturing process and during the quality assurance audit.
5. Documentation of activities conducted to date following determination that PCBs had exceeded 50 parts per million in the products. This should include information regarding handling, storage, marking, etc. of the products and decontamination efforts, if applicable.

Toll Free • 1-888-372-7341

Internet Address (URL) • <http://www.epa.gov/region1>

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

Please submit all information required above to the following address:

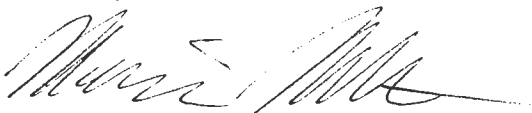
Marianne Milette (SEP)
U.S. Environmental Protection Agency
One Congress Street, Suite 1100
Boston, MA 02114-2023

The above information must be submitted to EPA within 20 business days of receipt of this letter. Should Clariant require additional time to produce this information, please contact me.

If you wish to claim some or all of the information you submit as TSCA Confidential Business Information (CBI), you must follow the procedures described in EPA's regulations at 40 C.F.R. Part 2, Subpart B. For any response that is claimed CBI, also include three sanitized versions.

For any questions regarding this request, you should contact me at (617) 918-1854 or Kim Tisa at (617) 918-1527.

Sincerely,



Marianne Milette
PCB Enforcement Coordinator
USEPA

cc: John Paul, Clariant
Michael Teague, Clariant
Kim Tisa, EPA
Catherine Smith, EPA



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1

1 CONGRESS STREET, SUITE 1100
BOSTON, MASSACHUSETTS 02114-2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 15, 2003

Erin S. Russell
Senior Counsel
Clariant Corporation
4000 Monroe Road
Charlotte, NC 28205

Dear Ms. Russell:

EPA appreciates Clariant Corporation's (Clariant) cooperation and initiative in addressing the PCB issues involving your Pigment Red 144 and Pigment Red 214 (hereinafter "the products") manufactured at your Coventry, Rhode Island site. As discussed in our meeting on October 14, 2003, EPA identified the following information that needs to be provided by your company. The information provided should cover the period from August 2001 to the present.

1. A list of your customers who received the products in question and customers to whom they have distributed the products. For each customer, provide the following information: the customer name, address, point of contact, phone number, quantities and dates sold, and end use of the products, if known.
2. Documentation of the health and safety procedures used during the manufacturing, processing and distribution of these products at your Coventry facility. Include any environmental sampling that may have been conducted.
3. Analytical data collected on PCB concentrations in the intermediate and final stages of the product manufacturing process during the initial lab bench scale testing.
4. Analytical data collected on PCB concentrations of the intermediate and final stages of the product manufacturing process during the actual manufacturing process and during the quality assurance audit.
5. Documentation of activities conducted to date following determination that PCBs had exceeded 50 parts per million in the products. This should include information regarding handling, storage, marking, etc. of the products and decontamination efforts, if applicable.

Toll Free • 1-888-372-7341

Internet Address (URL) • <http://www.epa.gov/region1>

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

Please submit all information required above to the following address:

Marianne Milette (SEP)
U.S. Environmental Protection Agency
One Congress Street, Suite 1100
Boston, MA 02114-2023

The above information must be submitted to EPA within 20 business days of receipt of this letter. Should Clariant require additional time to produce this information, please contact me.

If you wish to claim some or all of the information you submit as TSCA Confidential Business Information (CBI), you must follow the procedures described in EPA's regulations at 40 C.F.R. Part 2, Subpart B. For any response that is claimed CBI, also include three sanitized versions.

For any questions regarding this request, you should contact me at (617) 918-1854 or Kim Tisa at (617) 918-1527.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marianne Milette', with a stylized flourish at the end.

Marianne Milette
PCB Enforcement Coordinator
USEPA

cc: John Paul, Clariant
Michael Teague, Clariant
Kim Tisa, EPA
Catherine Smith, EPA



September 23, 2003

VIA FAX AND US MAIL

Geraldine Gardner
USEPA Headquarters
Ariel Rios Building 2245A
1200 Pennsylvania Avenue, N. W.
Washington, DC 20460

Re: Clariant Corporation
Telephone Contact Confirmation
Coventry Facility
500 Washington Street
Coventry, Rhode Island 02816

Dear Ms. Gardner:

I am writing as a follow up to my message yesterday and our phone conversation earlier today. As we discussed, Clariant has provided information concerning elevated levels of PCBs found in two pigment products. These products were manufactured at Clariant's Coventry facility in Coventry, Rhode Island and shipped to customers in a number of EPA regions.

This information was disclosed pursuant to the EPA Self-Audit Policy. Clariant meets the nine elements of the policy as follows:

1. The discovery of non-compliance was found as part of a compliance management system. A recently initiated global program augmenting our corporate audit system in the United States called for testing of the pigment products from our Coventry facility. It was through this process that elevated levels of PCBs were discovered.
2. The discovery was not made through a legally mandated monitoring or sampling program. Again, it was through a self-initiated voluntary program.
3. Clariant's disclosure, initially made on September 22, 2003, was made within 21 days of discovery.
4. The discovery and disclosure are made independent of a government or third-party action.
5. Clariant stopped producing the two products at issue. These product lines will not be resumed until they can produce pigments in compliance with the TSCA regulations. Clariant will provide necessary certifications under the audit policy regarding this factor.

10/15/03

Joel

This is a copy of
The Claimant self-disclosure
I mentioned this case to
you. HQ [Geraldine Gardner Dean]
was suppose to refer it to our
region with a cover letter
to your attention. I assume
she hasn't done that yet.

Margaret Pillette

Ms. Geraldine Gardner
September 23, 2003
Page 2



6. Clariant will agree to take steps to prevent any recurrence of the violation. Clariant has already begun planning for a new program to augment existing programs and ensure compliance.
7. Clariant has had no PCB related violations at the Coventry facility.
8. Potential violations stemming from the activities described herein are not excluded from the audit policy.
9. Clariant will cooperate with the EPA in providing the information necessary to determine the applicability of the audit policy.

Clariant produces pigments in an excluded manufacturing process under TSCA. Clariant has historically tested the pigment intermediate for PCBs after the first step of the two-step manufacturing process. The intermediate has been consistently well below 50 ppm. Based on our lab testing and research it was not expected that PCBs would be generated in the second step of the manufacturing process. However, through a newly initiated program the end product underwent a series of analyses. PCBs were found at levels exceeding 50ppm. The presence of the PCBs at these levels was unexpected. We are researching the possible cause.

Clariant suspended manufacturing and shipment of the pigments. We are in the process of conducting meetings with our employees to inform them of the situation. Further, Clariant engaged outside occupational exposure and occupational medical experts to conduct a preliminary exposure assessment at the Coventry site, as well as at a sister division's manufacturing site where the pigments are used to make plastics colorants. Preliminary results show that employee exposure is negligible. This is due in part to the level of closure in the manufacturing process and to the PPE worn by workers on this process.

We have confirmed that there were no releases to water (via analytical from 2001, 2002, 2003) or to air (through calculations using EPA models). We do have material on site and are managing it for storage and disposal according to TSCA regulations. In storage there is no threat of spill.

We have implemented a communications plan that includes employees, customers and governmental officials. We are contacting our customers of this material with instructions not to use the product, and we are following up with storage instructions. Clariant will provide a hazardous waste contractor to go to the customer's sites, properly package the material and remove it for appropriate disposal.

Ms. Geraldine Gardner
September 23, 2003
Page 3



In addition, Clariant is thoroughly reviewing the process for making the pigments to determine the likely source of the PCBs and how to eliminate it.

I am the Clariant contact for any questions related to this matter. My contact information is: Erin Russell, Clariant Corporation, 4000 Monroe Road, Charlotte, NC 28205. Telephone 704-331-7059; Fax 704-331-7131. I will be glad to provide further information or arrange to meet with EPA staff regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Erin Russell".

Erin Russell

c: Chris Barnard
Mike Teague

Clariant Corporation

4000 Monroe Road
Charlotte, NC 28205
704.331.7000



Erin Russell
Writer's Direct Dial No.: 704/331-7059
Fax No.: 704/331-7131
E-Mail: erin.russell@clariant.com

September 30, 2003

Ms. Deborah Brown
Chief of Toxics Pesticides and Federal Programs
EPA New England, Region 1
1 Congress Street, Suite 1100
Boston MA 02114-2023

Re: Clariant Corporation

Dear Ms. Brown:

Pursuant to our conversation earlier today, I am attaching a copy of the correspondence sent to Ms. Geraldine Gardner at EPA Headquarters concerning the discovery of elevated levels of PCBs in two pigment products manufactured at a Clariant facility in Coventry, Rhode Island. This should provide some background on our discovery of the issue and our initial actions in response. As we continue our response efforts we are coming across issues for which we need regulatory assistance. As I mentioned on the phone, we would like to arrange for a meeting with the appropriate Region 1 staff members to discuss the general situation, the response actions that we have undertaken and the issues we foresee with regard to the remaining activities addressing this issue. We have had some preliminary guidance from Peggy Reynolds at EPA Headquarters, however she suggested that Region 1 could take the lead in assisting us.

In general some issues we foresee that we will need to address are in the following areas: evaluating TRI and Tier II reporting, management of in-process product, reprocessing existing product that was not placed in commerce, and disposal issues. Of these issues the question of management of the product at various stages of production is of particular significance. This is an instance in which it does not appear that the regulations directly address some questions we have. For that reason we are hesitant to make an independent determination on how the regulations are interpreted in our circumstance. I am also sending by email to you copies of the email correspondence that addressed some of these issues in a preliminary way with Ms. Reynolds.

Over the next two weeks we are flexible in our availability to meet with you. I look forward to hearing from you.

Sincerely,

Erin Russell

c: Mike Teague
John Paul

1. Need more details on the correspondence sent to EPA
2. How long has process been going on?
3. Application of product? →
4. How many shipments
5. Are there secondary customers
6. Analytical data
7. TRI forms - what are they using

ERCA
probably
not an
issue

what did they
discover?

what date
of discovery?



September 23, 2003

VIA FAX AND US MAIL

Geraldine Gardner
USEPA Headquarters
Ariel Rios Building 2245A
1200 Pennsylvania Avenue, N. W.
Washington, DC 20460

Re: Clariant Corporation
Telephone Contact Confirmation
Coventry Facility
500 Washington Street
Coventry, Rhode Island 02816

Dear Ms. Gardner:

I am writing as a follow up to my message yesterday and our phone conversation earlier today. As we discussed, Clariant has provided information concerning elevated levels of PCBs found in two pigment products. These products were manufactured at Clariant's Coventry facility in Coventry, Rhode Island and shipped to customers in a number of EPA regions.

This information was disclosed pursuant to the EPA Self-Audit Policy. Clariant meets the nine elements of the policy as follows:

1. The discovery of non-compliance was found as part of a compliance management system. A recently initiated global program augmenting our corporate audit system in the United States called for testing of the pigment products from our Coventry facility. It was through this process that elevated levels of PCBs were discovered.
2. The discovery was not made through a legally mandated monitoring or sampling program. Again, it was through a self-initiated voluntary program.
3. Clariant's disclosure, initially made on September 22, 2003, was made within 21 days of discovery.
4. The discovery and disclosure are made independent of a government or third-party action.
5. Clariant stopped producing the two products at issue. These product lines will not be resumed until they can produce pigments in compliance with the TSCA regulations. Clariant will provide necessary certifications under the audit policy regarding this factor.

Ms. Geraldine Gardner
September 23, 2003
Page 2



6. Clariant will agree to take steps to prevent any recurrence of the violation. Clariant has already begun planning for a new program to augment existing programs and ensure compliance.
7. Clariant has had no PCB related violations at the Coventry facility.
8. Potential violations stemming from the activities described herein are not excluded from the audit policy.
9. Clariant will cooperate with the EPA in providing the information necessary to determine the applicability of the audit policy.

Clariant produces pigments in an excluded manufacturing process under TSCA. Clariant has historically tested the pigment intermediate for PCBs after the first step of the two-step manufacturing process. The intermediate has been consistently well below 50 ppm. Based on our lab testing and research it was not expected that PCBs would be generated in the second step of the manufacturing process. However, through a newly initiated program the end product underwent a series of analyses. PCBs were found at levels exceeding 50ppm. The presence of the PCBs at these levels was unexpected. We are researching the possible cause.

Clariant suspended manufacturing and shipment of the pigments. We are in the process of conducting meetings with our employees to inform them of the situation. Further, Clariant engaged outside occupational exposure and occupational medical experts to conduct a preliminary exposure assessment at the Coventry site, as well as at a sister division's manufacturing site where the pigments are used to make plastics colorants. Preliminary results show that employee exposure is negligible. This is due in part to the level of closure in the manufacturing process and to the PPE worn by workers on this process.

We have confirmed that there were no releases to water (via analytical from 2001, 2002, 2003) or to air (through calculations using EPA models). We do have material on site and are managing it for storage and disposal according to TSCA regulations. In storage there is no threat of spill.

We have implemented a communications plan that includes employees, customers and governmental officials. We are contacting our customers of this material with instructions not to use the product, and we are following up with storage instructions. Clariant will provide a hazardous waste contractor to go to the customer's sites, properly package the material and remove it for appropriate disposal.

Ms. Geraldine Gardner
September 23, 2003
Page 3



In addition, Clariant is thoroughly reviewing the process for making the pigments to determine the likely source of the PCBs and how to eliminate it.

I am the Clariant contact for any questions related to this matter. My contact information is: Erin Russell, Clariant Corporation, 4000 Monroe Road, Charlotte, NC 28205. Telephone 704-331-7059; Fax 704-331-7131. I will be glad to provide further information or arrange to meet with EPA staff regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Erin Russell".

Erin Russell

c: Chris Barnard
Mike Teague



Clariant Corporation

4000 Monroe Road
Charlotte, NC 28205
704.331.7000

Erin Russell
Writer's Direct Dial No.: 704/331-7059
Fax No.: 704/331-7131
E-Mail: erin.russell@clariant.com

September 30, 2003

Ms. Deborah Brown
Chief of Toxics Pesticides and Federal Programs
EPA New England, Region 1
1 Congress Street, Suite 1100
Boston MA 02114-2023

Re: Clariant Corporation

Dear Ms. Brown:

Pursuant to our conversation earlier today, I am attaching a copy of the correspondence sent to Ms. Geraldine Gardner at EPA Headquarters concerning the discovery of elevated levels of PCBs in two pigment products manufactured at a Clariant facility in Coventry, Rhode Island. This should provide some background on our discovery of the issue and our initial actions in response. As we continue our response efforts we are coming across issues for which we need regulatory assistance. As I mentioned on the phone, we would like to arrange for a meeting with the appropriate Region 1 staff members to discuss the general situation, the response actions that we have undertaken and the issues we foresee with regard to the remaining activities addressing this issue. We have had some preliminary guidance from Peggy Reynolds at EPA Headquarters, however she suggested that Region 1 could take the lead in assisting us.

In general some issues we foresee that we will need to address are in the following areas: evaluating TRI and Tier II reporting, management of in-process product, reprocessing existing product that was not placed in commerce, and disposal issues. Of these issues the question of management of the product at various stages of production is of particular significance. This is an instance in which it does not appear that the regulations directly address some questions we have. For that reason we are hesitant to make an independent determination on how the regulations are interpreted in our circumstance. I am also sending by email to you copies of the email correspondence that addressed some of these issues in a preliminary way with Ms. Reynolds.

Over the next two weeks we are flexible in our availability to meet with you. I look forward to hearing from you.

Sincerely,

Erin Russell

c: Mike Teague
John Paul

1. How long has process been going on?
2. Application of product? →
3. How many shipments
4. Are there secondary customers
5. Analytical data -
6. Imports
7. Certain TAT forms - what are they used for?

EPCTA
probably
not an
issue

never did show
discovery?

what
may be
it is



September 23, 2003

VIA FAX AND US MAIL

Geraldine Gardner
USEPA Headquarters
Ariel Rios Building 2245A
1200 Pennsylvania Avenue, N. W.
Washington, DC 20460

Re: Clariant Corporation
Telephone Contact Confirmation
Coventry Facility
500 Washington Street
Coventry, Rhode Island 02816

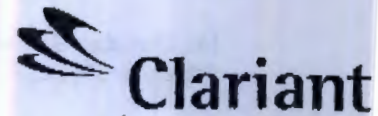
Dear Ms. Gardner:

I am writing as a follow up to my message yesterday and our phone conversation earlier today. As we discussed, Clariant has provided information concerning elevated levels of PCBs found in two pigment products. These products were manufactured at Clariant's Coventry facility in Coventry, Rhode Island and shipped to customers in a number of EPA regions.

This information was disclosed pursuant to the EPA Self-Audit Policy. Clariant meets the nine elements of the policy as follows:

1. The discovery of non-compliance was found as part of a compliance management system. A recently initiated global program augmenting our corporate audit system in the United States called for testing of the pigment products from our Coventry facility. It was through this process that elevated levels of PCBs were discovered.
2. The discovery was not made through a legally mandated monitoring or sampling program. Again, it was through a self-initiated voluntary program.
3. Clariant's disclosure, initially made on September 22, 2003, was made within 21 days of discovery.
4. The discovery and disclosure are made independent of a government or third-party action.
5. Clariant stopped producing the two products at issue. These product lines will not be resumed until they can produce pigments in compliance with the TSCA regulations. Clariant will provide necessary certifications under the audit policy regarding this factor.

Ms. Geraldine Gardner
September 23, 2003
Page 2



6. Clariant will agree to take steps to prevent any recurrence of the violation. Clariant has already begun planning for a new program to augment existing programs and ensure compliance.
7. Clariant has had no PCB related violations at the Coventry facility.
8. Potential violations stemming from the activities described herein are not excluded from the audit policy.
9. Clariant will cooperate with the EPA in providing the information necessary to determine the applicability of the audit policy.

Clariant produces pigments in an excluded manufacturing process under TSCA. Clariant has historically tested the pigment intermediate for PCBs after the first step of the two-step manufacturing process. The intermediate has been consistently well below 50 ppm. Based on our lab testing and research it was not expected that PCBs would be generated in the second step of the manufacturing process. However, through a newly initiated program the end product underwent a series of analyses. PCBs were found at levels exceeding 50ppm. The presence of the PCBs at these levels was unexpected. We are researching the possible cause.

Clariant suspended manufacturing and shipment of the pigments. We are in the process of conducting meetings with our employees to inform them of the situation. Further, Clariant engaged outside occupational exposure and occupational medical experts to conduct a preliminary exposure assessment at the Coventry site, as well as at a sister division's manufacturing site where the pigments are used to make plastics colorants. Preliminary results show that employee exposure is negligible. This is due in part to the level of closure in the manufacturing process and to the PPE worn by workers on this process.

We have confirmed that there were no releases to water (via analytical from 2001, 2002, 2003) or to air (through calculations using EPA models). We do have material on site and are managing it for storage and disposal according to TSCA regulations. In storage there is no threat of spill.

We have implemented a communications plan that includes employees, customers and governmental officials. We are contacting our customers of this material with instructions not to use the product, and we are following up with storage instructions. Clariant will provide a hazardous waste contractor to go to the customer's sites, properly package the material and remove it for appropriate disposal.

Ms. Geraldine
September 23,
Page 3



In addition, Clariant is thoroughly reviewing the process for making the pigments to determine the primary source of the PCBs and how to eliminate it.

I am available for Clariant contact for any questions related to this matter. My contact information is Erin Russell, Clariant Corporation, 4000 Monroe Road, Charlotte, NC 28205. Telephone 704-331-7059; Fax 704-331-7131. I will be glad to provide further information or arrange to meet with EPA staff regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Erin Russell".

Erin Russell

c: Chris [redacted]
Mike [redacted]